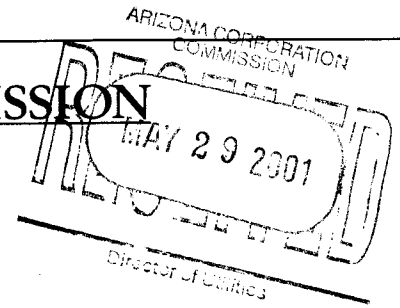


5-29-01
om

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

5

W-02355A WATER
HEART CAB CO., INC. DBA SULGER WATER COMPANY #2
202 E. ALLEN LANE
HUACHUCA CITY AZ 85616-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
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FOR COMMISSION USE

ANN 04	00
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COMPANY INFORMATION

Company Name (Business Name) SULGER WATER CO #2

Mailing Address 202 E. ALLEN LANE

(Street)

HUACHUCA CITY

(City)

AZ.

(State)

85616

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 202 E. ALLEN LANE

(Street)

HUACHUCA CITY

(City)

AZ.

(State)

85616

(Zip)

(520) 459-5050

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: ETHEL J. SULGER

(Name)

OWNER

(Title)

202 E. ALLEN LANE

(Street)

HUACHUCA CITY

(City)

AZ.

(State)

85616

(Zip)

(520) 459-5050

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: ETHEL J. SULGER

(Name)

OWNER

202 E. ALLEN LANE

(Street)

HUACHUCA CITY

(City)

AZ.

(State)

85616

(Zip)

(520) 459-5050

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: _____			
(Name)			
_____	_____	_____	_____
(Street)	(City)	(State)	(Zip)
_____	_____	_____	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: _____			
(Name)			
_____	_____	_____	_____
(Street)	(City)	(State)	(Zip)
_____	_____	_____	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|--|--|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |


COMPANY NAME

SULGER WATER CO #2

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	10,182.00	5,172.00	5,010.00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	65,548.00	5,951.00	59,597.00
333	Services			
334	Meters and Meter Installations	405.00	58.00	347.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	25,000.00	2,271.00	22,729.00
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	101,135	13,452.00	87,683.00

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

SULGER WATER CO #2

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	10,182.00	19.680%	2,004.00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	65,548.00	2.564 %	1,680.00
333	Services			
334	Meters and Meter Installations	405.00	14.290%	58.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	25,000.00	2.564 %	641.00
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	101,135.00		4,383.00

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 79.00	\$ 68.14
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 79.00	\$ 68.14
	FIXED ASSETS		
101	Utility Plant in Service	\$ 7,014.00	\$100,730.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(3,168.00)	(14,041.00)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 7,014.00	\$ 86,689.00
	TOTAL ASSETS	\$ 7,093.00	\$ 86,757.14

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ -0-	\$ -0-
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ -0-	\$ -0-
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 10,076.00	\$ 89,076.00
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ -0-	\$ -0-
	TOTAL LIABILITIES	\$ 10,076.00	\$ 89,076.00
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	(2,983.00)	(2,318.86)
	TOTAL CAPITAL	\$ (2,983.00)	\$ (2,318.86)
	TOTAL LIABILITIES AND CAPITAL	\$ 7,093.00	\$ 86,757.14

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 4,481.00	\$ 1,589.14
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 4,481.00	\$ 1,589.14
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	3,074.00	2,910.21
618	Chemicals		
620	Repairs and Maintenance	767.00	104.86
621	Office Supplies and Expense	199.00	
630	Outside Services		594.00
635	Water Testing		
641	Rents		
650	Transportation Expenses	698.00	601.00
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		15.00
403	Depreciation Expense	2,805.00	4,972.00
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 7,543.00	\$ 9,197.07
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$ -0-	\$ -0-
	NET INCOME/(LOSS)	\$ (3,062.00)	\$ (7,607.93)

COMPANY NAME SULGER WATER CO. #2

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	10-1-99	8-1-00		
Source of Loan	OWNER	OWNER		
ACC Decision No.				
Reason for Loan	CONSTRUCTION & EQUIPMENT	CONSTRUCTION & EQUIPMENT		
Dollar Amount Issued	\$ 10,076.00	\$78,894.00	\$	\$
Amount Outstanding	\$ 11,362.97	\$82,838.70	\$	\$
Date of Maturity	12-31-01	12-31-05		
Interest Rate	10%	10%		
Current Year Interest	\$ 1,033.00	\$ 3,944.70	\$	\$
Current Year Principle	\$ 11,362.97	\$82,838.70	\$	\$

Meter Deposit Balance at Test Year End \$ -0-

Meter Deposits Refunded During the Test Year \$ -0-

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
	10	75	6	5/8
	10	75	6	5/8

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 10,000.00

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
STORAGE TANKS	10,000	3,000	3,000

STATISTICAL INFORMATION

Total number of customers	3
Total number of gallons sold	1,059,430 gallons

COMPANY NAME SULGER WATER CO #2 YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ -0-

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. OWNER OWNERS PROPERTY & PAY FOR ALL TAXES

(WELLS ON SMALL CORNER) OF THE PROPERTY.

COMPANY NAME SULGER WATER CO #2

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>-0-</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>-0-</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u>-0-</u>
Total Grossed-Up Contributions/Advances	<u>-0-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

ETHEL J SULGER
PRINTED NAME

OWNER
TITLE

COMPANY NAME SULGER WATER CO #2 **YEAR ENDING 12/31/2000**

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ -0-

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

OWNER OWNS PROPERTY (WELLS ARE ON SMALL CORNER OF PROPERTY).

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) COCHISE
NAME (OWNER OR OFFICIAL) TITLE ETHEL J. SULGER
COMPANY NAME SULGER WATER CO. #2

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 1,589.14

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ -0-
IN SALES TAXES BILLED, OR COLLECTED**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Ethel J. Sulger
SIGNATURE OF OWNER OR OFFICIAL
(520)456-188-
TELEPHONE NUMBER

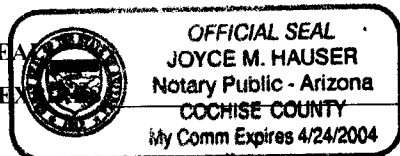
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 31 **DAY OF**

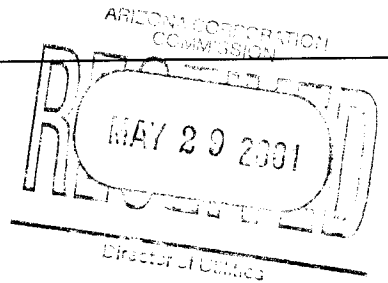
COUNTY NAME COCHISE
MONTH <u>May</u> <u>2001</u>

MY COMMISSION EX



Joyce M. Hauser
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

(COUNTY NAME) COCHISE	
NAME (OWNER OR OFFICIAL) ETHEL J SULGER	TITLE OWNER
COMPANY NAME SULGER WATER CO #2	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ -0-

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED**

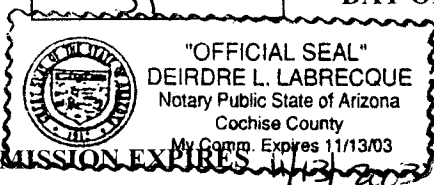
***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X Ethel J. Sulger
SIGNATURE OF OWNER OR OFFICIAL
Ethel J. Sulger

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 31st DAY OF**

(SEAL)

MY COMMISSION EXPIRES 11/13/03



NOTARY PUBLIC NAME Deirdre L. Labrecque	
COUNTY NAME COCHISE	
MONTH MAY 31	20 2001

X Deirdre L. Labrecque
SIGNATURE OF NOTARY PUBLIC

CASHIER
EAN

COCHISE COUNTY
RECEIPT OF TAXES PAID

1/11/01
9:46:55

PARCEL NUMBER	YR	POR	TAX PAID	INTEREST	FEES	PENALTIES	TOTAL
106-16-064-00-7	98	3	72.92	30.33	20.00	5.00	128.25
106-16-064-00-7	99	3	71.30	11.41		5.00	87.71
106-16-064-00-7	00	1	33.78	1.35			35.13

RECEIVED FROM

DATE PAID

1/10/01

HEART CAB CO/ETHEL SULGER
202 E ALLEN LANE
HUACHUCA CITY AZ 85616

TAX PAID 251.09
AMOUNT TENDERED 251.09
CHANGE DUE .00

THANK YOU
MARSHA BONHAM
COCHISE COUNTY TREASURER
BISBEE, ARIZONA 85603

16545

RECEIPT

Well #1

CASHIER
EAN

COCHISE COUNTY
RECEIPT OF TAXES PAID

1/11/01
9:23:57

PARCEL NUMBER	YR	POR	TAX PAID	INTEREST	FEES	PENALTIES	TOTAL PAID
106-16-031-04-7	00	1	177.99	7.12			185.11

RECEIVED FROM

DATE PAID

1/10/01

HEART CAB CO/ETHEL SULGER
202 E ALLEN LN
HUACHUCA CITY AZ 85616

TAX PAID 185.11
AMOUNT TENDERED 185.11
CHANGE DUE .00

THANK YOU
MARSHA BONHAM
COCHISE COUNTY TREASURER
BISBEE, ARIZONA 85603

16545

RECEIPT

Well #2